

MEMORANDUM

To: Mayor and Council, City Manager
From: Rep. Susan Austin
Date: Feb. 23, 2005
Re: City-County Health and Environmental District

The County gave notice to the City on August 4, 2003, of intent to dissolve the City-County Health and Environmental District (the "District") effective March 4, 2005. The parties have since designated representatives from both sides to try to negotiate an amended agreement. The negotiating group reached consensus on an amended agreement and this is being presented to Commissioners Court for approval of February 28 and to City Council for approval March 1, 2005.

The agreement reached does the following:

1. Up to now, all net costs of District (costs less grants and revenues) were shared based on a comparison of the County's General Fund Budget to the City's General Fund Budget. For FY2004, this resulted in the following allocation: City 62.60%, County 37.31%.
2. A detailed audit of the District activities was performed to see where the activity was occurring and the "unit cost" of these activities. This audit reveals that for these "Activity Based Programs" collectively, 69% of the activity was occurring in the City and 31% outside the City.
3. Only part of the District's operations and costs relate to Activity Based Programs. Other programs (such as air quality monitoring and maintaining a Health District Laboratory) cannot be tracked by activity and costs must be allocated between the City and County by some formula ("Formula Driven Programs"). The County had wanted to allocate these costs to the City and County according to the population of the City vs. the population of the County outside the City, or n City 88.69% and County 11.31%. The parties have negotiated a compromise on the Formula Driven Programs that divides the net costs of those programs 70% to the City, 30% to the County.
4. As a transition matter, for the balance of FY2005, all costs – both activity and formula programs – will be shared City 70% and County 30%.
5. The District will continue to be an independent entity, as now, governed by the Board of Health. The composition of the Board has changed somewhat to provide for an equal balance of professionals and non-professionals. Included in the non-professionals is an elected official from the City and an elected official from the County. The Board Chair will continue to be a joint appointee of the Mayor and County Judge.
6. To assure earlier and more communication about the finances of the District apart from approval and appropriation of the District Budget, a finance committee will review and recommend all financial matters. This committee includes a board member appointed by the City and one by the County – preferably the elected officials.